

Mtg	Date	Item #
TR	9/25/2003	1

MINUTES OF MEETING
STATE OF WISCONSIN
TEACHERS RETIREMENT BOARD

Thursday, June 19, 2003

Sheraton Madison Hotel
706 John Nolen Drive
Madison, Wisconsin

BOARD PRESENT:

Ted Bratanow
Reginald Delwiche
Suzanne Doemel
Irena Macek
Wayne McCaffery, Chair
Lon Mishler
Robert Niendorf, Vice-Chair
Gerald Pahl
Nancy Thompson
David Wiltgen

BOARD NOT PRESENT:

R. Thomas Pedersen
Dennis Pratt
Jim Tripp

PARTICIPATING ETF STAFF:

Eric Stanchfield, Secretary
Dave Mills, Deputy Secretary
Julie Reneau, Administrator, Division of Retirement Services
Linda Owen, Division of Retirement Services
Pam Henning, Director, Office of Strategic Services
Shelly Schueller, Office of the Secretary
Christina Licari, Board Liaison

OTHERS PRESENT:

Dale Doemel
Bill Ford, Legislative Council
Charlotte Gibson, Department of Justice
Jorge Gomez, Office of the Commissioner of Insurance
Member, Wisconsin Retirement Board
Dave Hinrichs, Department of Employee Trust Funds
Nancy Ketterhagen, Department of Employee Trust Funds
Audrey Koehn, Department of Employee Trust Funds
Peg Narloch, Department of Employee Trust Funds
David Nispel, Department of Employee Trust Funds
Mary Pierick, Department of Employee Trust Funds
Bob Willett, Department of Employee Trust Funds

Wayne McCaffery, Chair, called the meeting to order at 12:30 p.m.

CONSIDERATION OF PREVIOUS MEETING MINUTES

Motion: Ms. Thompson moved approval of the minutes of the regular meeting on March 13, 2003, as well as the election committee meetings held March 13, 2003, and May 23, 2003, as submitted by staff. Ms. Macek seconded the motion, which passed without objection on a voice vote.

ELECTION RESULTS

Ms. Henning announced that R. Thomas Pedersen has been elected to the technical college teacher seat [§ 15.165 (3) (a) 2.] previously held by Lon Mishler. The election results were certified via teleconference by the Teachers Retirement (TR) Board election committee on May 23, 2003.

APPOINTMENT OF REPRESENTATIVE TO THE EMPLOYEE TRUST FUNDS BOARD

Action was requested of the Board regarding the appointment of two members to the Employee Trust Funds (ETF) Board. A memorandum was provided to members that included a list of members who are currently eligible for appointment to the ETF Board.

Those who are statutorily eligible for appointment at this time are as follows:

§15.16 (1) (a) 2. Teachers Retirement Board members appointed under §15.165 (3) (a) 4.
(UW teacher participant)

Eligible members:	Robert Niendorf	§15.165 (3) (a) 4.
	Ted Bratanow	§15.165 (3) (a) 4.

§15.16 (1) (a) 1. Teachers Retirement Board member appointed or elected under
§15.165 (3) (a) 1. or 2. (public or vocational school teacher)

Eligible members:	Wayne McCaffery	§15.165 (3) (a) 1.
	R. Thomas Pedersen	§15.165 (3) (a) 2.

Mr. Bratanow respectfully declined consideration for appointment due to personal obligations.

Motion: Ms. Thompson moved to appoint Bob Niendorf to the Employee Trust Funds Board. Ms. Doemel seconded the motion, which carried without objection on a voice vote.

Motion: Mr. Bratanow moved to appoint Wayne McCaffery to the Employee Trust Funds Board. Mr. Pahl seconded the motion, which carried without objection on a voice vote.

MISCELLANEOUS

Pending Appeals Status Report. (Included for the Board's information.) Ms. Reneau presented an update on pending appeals, noting that the number of TR Board appeals remains low.

DISABILITY STATISTICS SUMMARY REPORT

(Included for the Board's information.) Ms. Schueller reviewed the *WRS Disability Benefit Annuity Statistical Report* that was included in the Board packet. In addition to Ms. Schueller, Peg Narloch, Disability Program Policy Advisor, was available to answer questions.

ADMINISTRATIVE RULE

Scope Statement: Dividend Distribution. Ms. Owen presented draft language for the proposed rule amendment regarding annuitant dividends. In 2002 the rule was amended to change the annuitant dividend distribution date from April 1 to March 1. The amended rule became effective on October 1, 2002. However, due to poor fixed and variable investment returns and the concern annuitants expressed regarding the earlier distribution date, an emergency rule was promulgated to move the dividend distribution effective date back to April 1. Based on careful consideration of the alternatives and their potential consequences, the Department proposed amending the permanent administrative rule to change the annual distribution effective date back to April 1. Department staff stressed that if no further action is taken on the permanent rule, in 2004 the dividends, whether positive or negative, will become effective on March 1.

The Board discussed with staff the advantages and disadvantages of changing the permanent rule back to April 1. Members expressed concerns regarding whether amending the rule again would constitute good public policy.

Motion: Mr. Niendorf moved to adopt the proposed rule language as recommended by DETF staff. Mr. Delwiche seconded the motion, which failed on a roll-call vote.

Members voting aye: T. Bratanow, R. Delwiche, R. Niendorf, N. Thompson.

Members voting nay: S. Doemel, I. Macek, L. Mishler, G. Pahl, D. Wiltgen.

Members abstaining: W. McCaffery

ADJOURNMENT

Motion: Ms. Thompson moved adjournment. Ms. Doemel seconded the motion, which passed without objection on a voice vote.

The meeting of the Teachers Retirement Board adjourned at 1:18 p.m.

Date Approved: _____

Signed: _____

Nancy Thompson, Secretary
Teachers Retirement Board